

AASB Strategic Plan 2022-2025

Feedback Statement

July 2021

Introduction

We began developing our Strategic Plan 2022-2025 in October 2019 by considering significant domestic and global developments that affect our stakeholders. In early 2020, we drafted strategic directions and goals to address these developments.

After considering how the COVID-19 pandemic affected our strategic directions and goals we issued the [Draft Strategic Plan 2022-2025](#) for public comment in January 2021.

To address Canadian and global developments, including COVID-19's impact, we established the following strategic directions:

- reflect the increasing use of technology by entities and practitioners in our standards and guidance;
- address the increasing complexity in the environment in our standards and guidance;
- provide solutions that respond to the environment for small and medium-sized entities and allow practitioners to apply standards in a scalable and proportional way on the less complex elements of an entity;
- understand and respond to the evolving information needs of users;
- understand and respond to the expectations and changing public confidence in audits; and
- understand and assess the impact of a remote working environment on our standards and guidance.

We set the following goals to respond to the strategic directions. These goals will direct our Annual Plans for fiscal 2022 to 2025:

- monitor and understand emerging issues in the changing environment to better anticipate standard-setting issues;
- engage and collaborate with stakeholders to understand their needs and expectations;
- set high-quality standards and guidance that respond to the evolving needs and expectations of stakeholders;
- enhance our standard-setting processes and capabilities to develop more timely solutions; and
- support the effective implementation and application of standards and guidance to enhance consistency and quality in engagement performance.

Extent of Feedback Received

Stakeholders were provided opportunities to interact and provide comments on the Draft Strategic Plan via Connect.FRASCanada.ca and by joining a weekly consultation session. Six sessions were held over six weeks, with each session focusing on a different theme. The Draft Strategic Plan was promoted to thousands of stakeholders through *The Standard* newsletter, *CPA Canada Member News*, a *ThinkTwenty20* blog article, and via social media, including LinkedIn and Twitter.

We received three written responses from stakeholders and two responses by email. In total, there were 25 participants in the consultation sessions (11 individuals attended more than one session). The AASB Chair and Director both attended a meeting of a stakeholder group to discuss the Draft Strategic Plan.

Key Messages Heard and How We Responded

We asked five questions in the Draft Strategic Plan. In addition, in consultation sessions, the Board asked more detailed questions specific to the topic being discussed.

The questions and responses are set out in each of the sections below, followed by a summary of what we heard and how we responded.

The purpose and mission

The Draft Strategic Plan set out our purpose and mission statements.

Respondents supported these statements and did not suggest any revisions.

We did not make any changes to the purpose and mission statements.

Strategic directions

We asked stakeholders whether they supported our strategic directions.

Respondents generally supported the strategic directions, noting they are all pertinent issues facing the profession today. They agreed that the strategic directions will appropriately address current and emerging developments in the environment.

Based on input received, we concluded that the strategic directions set out in the Draft Strategic Plan were appropriate. Issues related to these topics are relevant and affect many of our stakeholders and should be areas that we focus on in the years to come.

Some respondents suggested that the strategic directions be prioritized and also noted that the Draft Strategic Plan did not address the timing of activities planned to meet the goals and objectives.

We acknowledge that we need to prioritize certain objectives over others. To achieve our objectives, we prepare Annual Plans that establish the priority of activities, timing, resources, etc. Our Annual Plans are published on [FRASCanada.ca](https://www.frascanada.ca).

Respondents debated whether the remote working environment was significant enough to highlight in the Strategic Plan. Some expressed concern that referring to the pandemic may result in the Strategic Plan, which covers four years, becoming dated quickly. However, they acknowledged that the increase in remote working is likely to continue in the long term, and we may need to address specific issues practitioners face when conducting engagements remotely. These issues include:

- directing and supervising engagement team members and reviewing their work;
- exercising professional skepticism when assessing the sufficiency and appropriateness of evidence; and
- assessing internal controls.

To reduce the focus on the effect of the pandemic, we decided to minimize references to the pandemic and to rephrase the strategic direction from “remote work environment” to “evolving work environment”.

Goals and objectives

We asked whether respondents agreed with the proposed goals and objectives.

Respondents generally supported the proposed goals and objectives. However, they noted that the desired results from certain goals and objectives were not clearly established in the Draft Strategic Plan. These respondents suggested the goals should describe the measurable deliverables they aim to achieve.

We did not include measurable deliverables in the Draft Strategic Plan, as they are established for each year in our Annual Plan. The achievement of the Strategic Plan will be measured in terms of how we meet our annual activities.

Respondents also noted that the goals provide few details on which actions will be taken, what resources will be required, when the goal will be completed, etc. Further, respondents commented that we depend on the International Auditing and Assurance Standards Board's (IAASB) timeline for standards adopted from IAASB standards. These respondents supported our goal to enhance standard-setting processes and capabilities to develop more timely solutions. Some respondents highlighted concerns that standard-setting projects can sometimes take several years.

We did not change any goals or objectives in response to these comments but revised the “Accountability” section to clarify the Board’s process around annual planning, measuring and

reporting. As previously noted, the Annual Plans establish the details of the activities we will undertake to meet the goals and objectives of the Strategic Plan.

One respondent to the Draft Strategic Plan suggested that we work with regulators to increase practitioners' compliance with standards.

We meet regularly with regulators to discuss inspection findings and to determine if revisions to standards are necessary. This ongoing dialogue enables us to assess if any action is necessary regarding standards or implementation guidance. We also assist in the application of standards by practitioners in several ways, including by identifying implementation risks when developing standards. These implementation risks are addressed in implementation guidance. However, enforcing or improving compliance rates is beyond the Board's mandate as a standard setter.

Additional developments not reflected in the Draft Strategic Plan

We asked respondents if we should consider any additional developments in the environment not reflected in the Draft Strategic Plan.

Respondents did not identify any additional developments.

We did not make any revisions in this area.

Other comments

We asked stakeholders if we should consider any other topics in finalizing the Strategic Plan.

Some comments raised in written responses and/or consultation sessions were related to ongoing projects. Such comments will inform our progress on these projects. In addition, we will consider these comments as we develop future Annual Plans.

We did not make any revisions to the Draft Strategic Plan in this area.

Due Process Matters

We approved the Strategic Plan for 2022-2025 at our June 2021 meeting.

The Auditing and Assurance Standards Oversight Council (AASOC) reviewed our activities relating to the development and finalization of the Strategic Plan. AASOC provided input on our strategic direction and priorities and determined that we appropriately considered the needs of all categories of stakeholders.

Next Steps

For detailed activities we plan to undertake in the first year of the Strategic Plan, refer to our [2021-2022 Annual Plan](#).

As described in the Strategic Plan, we will measure achievement by setting out specific activities in annual plans, measuring and reporting annually on performance of the specific activities, and completing regular performance assessments to evaluate progress toward achieving the Strategic Plan's objectives.

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